

DYNAMIC PRICING ENGINE

5 Abstract

The present invention recognises that the right price has to be set at the right time so as to facilitate the clearing of residual service capacity at any instance. The need to facilitate the clearing of residual service capacity is especially eminent in cases where the services are perishable. The limited capacity of these services changes a consumer's willingness to pay as the time-to-service reduces, the residual service capacity depletes, and the number of consumers increases. The combination of attributes for a service can be varied to produce a selection of service profiles. The value that a consumer places on each service profile can be determined based on the time-to-service, the residual service capacity, and the number of competing bids when a service profile is selected. This allows the price for each service profile to be optimally updated, facilitating the swift clearing of residual service capacity in the process.